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January 22, 2003

Ex Parte

Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Re: Application by Verizon for Authorization To Provide In-Region, InterLATA Services in the State of Maryland, the District of Columbia and West Virginia, WC Docket No. 02-384; Verizon Telephone Companies Section 63.71 Application to Discontinue Expanded Interconnection Service Through Physical Collocation, WC Docket No. 02-237

Dear Ms. Dortch:

At the request of staff, Verizon provides this further information on the reuse of collocation arrangements.

In its order resolving the investigation of local exchange carriers' tariffs offering expanded interconnection through physical collocation, the FCC directed the local exchange carriers to revise their federal tariffs to provide for pro rata refunds of non-recurring charges where a collocator returns its collocation arrangement to the incumbent carrier and another carrier reuses that same collocation arrangement:

We direct those LECs offering tariffed interstate expanded interconnection through physical collocation service to file tariff revisions stating that, if an initial interconnector has paid a nonrecurring charge for an asset and is succeeded by another interconnector who uses that asset, the initial interconnector will be credited the remaining undepreciated amount of the equipment and the cage construction cost upon occupancy by the subsequent interconnector; the subsequent interconnector will be responsible for paying the remaining undepreciated amount of the cost. The tariff revisions also must state that, if the LEC uses an asset for which an interconnector paid a nonrecurring charge, the LEC must make a pro rata refund to the interconnector. For purposes of calculating prorated refunds to interconnectors, LECs should base the life of the equipment and interconnector-specific construction on the economic life of the equipment and the cage.

Local Exchange Carriers' Rates, Terms, And Conditions For Expanded Interconnection Through Physical Collocation For Special Access And Switched Transport, 12 FCC Rcd 18730 ¶ 55 (1997). Although this order only applied to collocation under the federal tariffs, Verizon followed this policy in its state tariffs as well. Verizon has included provisions for returned collocation space in its collocation tariffs in Maryland, the District of Columbia and West Virginia. See P.S.C.-Md.-No. 218, Section 2.B.4.d; P.S.C.-D.C.-No.218, Section 2.B.4.d; P.S.C.-W.Va.-No. 218, Section 2.B.4.d (copies enclosed as Attachment A). Verizon computes credits for reused collocation arrangements by using a 12 year economic life for collocation assets, which is consistent with the depreciation lives prescribed by the FCC. See *Simplification of the Depreciation Prescription Process*, 10 FCC Rcd 8442 (1995) (Appendix: Circuit Equipment – Digital 11 – 13 years); *1998 Biennial Regulatory Review – Review of Depreciation Requirements for Incumbent Local Exchange Carriers*, 15 FCC Rcd 242 (1999) (Appendix B: Circuit Equipment – Digital 11-13 years).

The Maryland Public Service Commission (“Maryland PSC”) is addressing the reuse of collocation space, including the appropriate amortization period for credits, in a formal proceeding (Case No. 8913). On January 3, 2003, the parties filed a letter requesting that the Maryland PSC allow the parties to hold one more settlement discussion before filing a status report with the Hearing Examiner (copy enclosed as Attachment B). If the parties are not able to reach resolution during this discussion, the parties will proceed to litigate this issue before the Maryland PSC.

In its comments filed in this proceeding, the District of Columbia Public Service Commission (“District of Columbia PSC”) indicated that its collocation proceeding (Formal Case No. 962) is closed. District of Columbia PSC Comments at 21-22. The District of Columbia PSC also stated that “AT&T has failed to address the reason for extending the amortization period or to explain why that issue is not more properly a function of the collocation proceeding just completed in Formal Case No. 962.” *Id.*

Please let me know if you have any questions. The twenty-page limit does not apply as set forth in DA 02-3511.

Sincerely,



Attachments

cc: G. Cohen
G. Gooke
G. Remondino
V. Schlesinger

NETWORK INTERCONNECTION SERVICES TARIFF
P.S.C.-Md.-No. 218

Verizon Maryland Inc.

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CLEC COLLOCATED INTERCONNECTION SERVICE

B. REGULATIONS (Cont'd)

3. Application/Site Survey (Cont'd)

- f. The CLEC agrees to meet with the Telephone Company, if requested by the Telephone Company, to review design, work plans, and schedules for the Central Office and installation of the CLEC's designated equipment within the Central Office.

4. Space & Facility

- a. Receipt of the completed Collocation application and appropriate application fee will determine the order of priority of CLECs' requests.
- b. At the time that the Telephone Company provides the CLEC with its proposal for the design and construction work, the CLEC must review and sign the proposal, indicating acceptance of the plan and pay the Telephone Company 50% of the total Space and Facility nonrecurring charge. The Collocation implementation schedule will begin once the 50% payment is received by the Telephone Company. If the Telephone Company does not receive the signed proposal and 50% of the total Space and Facility nonrecurring charge within 30 days of the CLEC receiving the proposal from the Telephone Company, the Telephone Company will consider the offer rejected and will cancel the application and make available the space allocated for that application to meet additional Collocation arrangement requests.
- c. The balance of the Space and Facility Charge will be billed to the CLEC at the time the Telephone Company grants occupancy of, or 30 days from, the date the Telephone Company provides access to the Collocation arrangement.
- d. Should a CLEC vacate its Collocation arrangement, the CLEC will be credited with the Space and Facility Charge (less costs) upon subsequent occupancy of the same Collocation arrangement by another CLEC or if the same Collocation arrangement is used by the Telephone Company. The subsequent CLEC will be responsible for payment of the remaining unamortized amount of the Space and Facility Charge prior to occupying the Collocation arrangement.

NETWORK INTERCONNECTION SERVICES TARIFF
P.S.C.-D.C.-No. 218

Verizon Washington, DC Inc.

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CLEC COLLOCATED INTERCONNECTION SERVICE

B. REGULATIONS (Cont'd)

4. Space & Facility

- a. Receipt of the completed Collocation application and appropriate application fee will determine the order of priority of CLECs' requests.
- b. At the time that the Telephone Company provides the CLEC with its proposal for the design and construction work, the CLEC must review and sign the proposal, indicating acceptance of the plan and pay the Telephone Company 50% of the total Space and Facility nonrecurring charge. The Collocation implementation schedule will begin once the 50% payment is received by the Telephone Company. If the Telephone Company does not receive the signed proposal and the 50% of the total Space and Facility nonrecurring charge within 30 days of the CLEC receiving the proposal from the Telephone Company, the Telephone Company will consider the offer rejected and will cancel the application and make available the space allocated for that application to meet additional Collocation arrangement requests.
- c. The balance of the Space and Facility Charge will be billed to the CLEC at the time the Telephone Company grants occupancy of, or 30 days from, the date the Telephone Company provides access to the Collocation arrangement.
- d. Should a CLEC vacate its Collocation arrangement, the CLEC will be credited with the the Space and Facility Charge (less costs) upon subsequent occupancy of the same Collocation arrangement by another CLEC or if the same Collocation arrangement is used by the Telephone Company. The subsequent CLEC will be responsible for payment of the remaining unamortized amount of the Space and Facility Charge prior to occupying the Collocation arrangement.

NETWORK INTERCONNECTION SERVICES TARIFF
P.S.C.-W.Va.-No. 218

Verizon West Virginia Inc.

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CLEC COLLOCATED INTERCONNECTION SERVICE

B. REGULATIONS (Cont'd)

4. Space & Facility (Cont'd)

- c. The balance of the Space and Facility Charge will be billed to the Requesting CLEC at the time the Telephone Company grants occupancy of, or 30 days from, the date the Telephone Company provides access to the Collocation arrangement.
- d. Should a Requesting CLEC vacate its Collocation arrangement, the Requesting CLEC will be credited with the Space and Facility Charge (less costs) upon subsequent occupancy of the same Collocation arrangement by another Requesting CLEC or if the same Collocation arrangement is used by the Telephone Company. The subsequent Requesting CLEC will be responsible for payment of the remaining unamortized amount of the Space and Facility Charge prior to occupying the Collocation arrangement.

5. Acceptance and Turnover of Space(s)

- a. The Telephone Company will notify the Requesting CLEC in writing of the completion of the Collocated Interconnection construction work.
- b. Before beginning installation work or occupancy, the Requesting CLEC must provide the Telephone Company with a signed statement indicating acceptance of the Collocated Interconnection construction work. The Telephone Company will render a final bill after completion of the Collocated Interconnection construction work. Payment is due within 30 days of the bill date.
- c. Before beginning delivery, installation, replacement or removal work for equipment and/or facilities located within the Collocated Interconnection space, the Requesting CLEC must obtain the Telephone Company's written approval of Requesting CLEC-proposed scheduling of the work in order to coordinate use of temporary staging areas and other building facilities. The Telephone Company may request additional information before granting approval and may require scheduling changes.
- d. Temporary Staging Area

The Requesting CLECs shall have the right to use a portion of the central office(s) and loading areas, if available, on a temporary basis during the Requesting CLEC's equipment installation work in the Collocated Interconnection space. The Requesting CLEC is responsible for protecting the Telephone Company's equipment and central office walls and flooring within the staging area and along the staging route. No storing of equipment and materials overnight will be permitted in the staging area(s) and any common space. The Requesting CLEC will meet all the Telephone Company fire, safety, security, and environmental requirements. The temporary staging area will be vacated and delivered to the Telephone Company in a broom-clean condition upon completion of the installation work. The Telephone Company may assess a cleaning charge for failure to comply with this obligation.

Issued by authority of an Order of the Public Service Commission of West Virginia in
Case No. _____ dated _____.

Issued: January 8, 2001

Effective: January 8, 2001

January 3, 2003

Via Hand Delivery

The Hon. Robert H. McGowan
Hearing Examiner
Public Service Commission of Maryland
6 St. Paul Street, 19th Floor
Baltimore, MD 21202

Re: Case No. 8913

Dear Hearing Examiner McGowan:

This letter responds to your December 23, 2002 notice requesting a status in the above case. Verizon Maryland, Inc. has discussed the issue with AT&T's attorney and both parties believe that another call should be scheduled among the parties to discuss the status of all remaining issues in the case. The parties can then report back to you by January 15, 2003.

The parties made good progress towards resolving issues last summer, but were unable to reach closure because of competing time demands from other proceedings, including the 271 proceeding. Now that those proceedings have concluded, the parties should be able to finally resolve many (if not all) of the issues.

Please call if you have any questions.

Very truly yours,

David A. Hill

DAH/mlw

cc: Felecia L. Greer
All Parties of Record